

Impact of Offering Credit to Employees Who Waive Coverage - FY 25

| | |
|--------------------------|-------|
| Current Benefit Eligible | 2,064 |
| Current Enrolled | 1,759 |
| Number Waiving | 305 |

The City currently has 305 employees who are waiving coverage who would presumably have to be given any credit that would be offered to those currently taking coverage who opt out.

| | | | | | |
|---|------------------|--------------------|--------------------|--------------------|---|
| Assumed Opt Out Credit (Bi-Weekly) | \$100.00 | \$153.85 | \$215.80 | \$230.77 | <i>Need to generate at least this amount in savings just to pay for the cost of providing the credit to those already waiving</i> |
| Number Currently Waiving | 305 | 305 | 305 | 305 | |
| Annual Cost of Opt Out Credit to Current Waivers | \$793,000 | \$1,220,031 | \$1,711,294 | \$1,830,006 | |

Estimated Impact of Offering \$100 per Pay Period Opt Out Credit

Scenario 1. Assumes Only Employees with Single Coverage will Opt Out

| | Total Projected | Adjusted for Active Employee Only | Expected for Lives Opting Out | | | |
|--|-----------------|-----------------------------------|-------------------------------|----------------|----------------|---|
| | | | 1.00 | 0.90 | 0.75 | |
| Assumed Selection Factor | | | 1.00 | 0.90 | 0.75 | <i>Expect lives waiving coverage would be less costly than average. Contributions do not vary by health status.</i> |
| Projected 2025 PEPM Cost | \$1,589 | \$838 | \$838 | \$754 | \$629 | |
| Current PEPM Employee Contributions | \$249 | \$150 | \$150 | \$150 | \$150 | |
| Net City Cost PEPM | \$1,340 | \$688 | \$688 | \$604 | \$479 | |
| Net City Cost PEPY | \$16,076 | \$8,258 | \$8,258 | \$7,252 | \$5,744 | |
| Annual Opt Out Credit | | | \$2,600 | \$2,600 | \$2,600 | |
| Average Savings per New Opt Out | | | \$5,658 | \$4,652 | \$3,144 | |

| | | | |
|---|------------|------------|------------|
| Breakeven Number of New Opt Outs | 140 | 170 | 252 |
|---|------------|------------|------------|

| Breakeven Number of Net Opt Outs for Various Credits | | Expected Morbidity for Lives Opting Out | | |
|--|----------|---|------|------|
| | | 1.00 | 0.90 | 0.75 |
| Credit Per Pay Period | \$100.00 | 140 | 170 | 252 |
| | \$153.85 | 287 | 375 | 700 |
| | \$215.80 | 646 | N/A | N/A |
| | \$230.77 | 810 | N/A | N/A |