

2016-2017 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Human Resources

REQUEST NO.: 250

REQUESTED BY: Tovo

DATE REQUESTED: 9/2/16

DATE POSTED: 9/9/16

REQUEST: What's the cost of keeping the inpatient/outpatient copayment at 80% across all options?

RESPONSE:

If the coinsurance remains at 80% across all options, the financial impact would be substantial. Without a 10% coinsurance differential, the City will not receive higher discounts from Tier 1 providers, resulting in higher premiums paid for the City and the employees. Instead of the current proposed rate of 8.7%, the increase would be 13.7%. This would result in additional expenses for calendar year 2017 of \$8.6M or \$6.7M for Fiscal Year 2017.