



October 8, 2020

Millville Housing Authority  
Attn: Karen Chiarello  
1 Vine Street  
PO Box 803  
Millville, NJ 08332

Re: Horizon Group # 195N3  
Renewal Amendment  
Effective 12-15-2020

Dear Karen:

We have received the Renewal Rate Sheet from Horizon for your Health Benefit Plan that becomes effective December 15, 2020, through December 14, 2021. The renewal rates for your plan reflects an increase of 4% to your current rates. Should you decide to continue to fund the same deductible through the Health Reimbursement Plan, the budgeted renewal would reflect an overall 3% increase. I do believe the Health Reimbursement Account is working well for the group.

Horizon is extending the option to renew the existing plan design with the old 4-tier rating. Unless you renew the current Horizon plan As Is, the new "per belly-button" rating will take effect for all other options with all of the carriers.

We have run options with Horizon as well as the other carriers. AmeriHealth does have some plans that may look attractive. However, AmeriHealth only permits a group to reimburse no more than 50% of the deductible. Additional, the options with the Local Value network is a small NJ based network and only Penn Medicine and Children's Hospital are participating in Philadelphia. Oxford and Members health plan do not have competitive plans.

We also obtained the rates for State Health Benefits. SHB does not permit an employer to contribute more than \$300 per employee towards their high deductible. Therefore, I would not consider their high deductible plans.

Together, we can assess your situation and determine which of the various plans works best for your organization as a business for budgetary purposes, as well as a member for coverage needs.

If you would like to continue with Horizon with the proposed grandmothers plan, please advise us. If you are interested in changing your *PLAN DESIGN* with Horizon, they require documentation which you must sign and must be delivered to them 2 weeks prior to the renewal date. We can provide you with the required documentation. If you want to change *CARRIERS*, you also need to notify us immediately so we can begin processing the required documentation. The carriers require their completed application package 7 days prior to the effective date and we need the appropriate lead time to prepare the paperwork for you to complete.

If you do decide to keep with the HRA account, we can then address the AmeriFlex renewal once you decide how to proceed with the medical renewal.

At this time, we also want to remind you that you have 60 days from your renewal to go on-line with the Centers for Medicare Services (CMS) to report creditability status of your prescription plan. As you may recall, each year prior to October 15<sup>th</sup>, you need to provide your enrolled members with notice that your group plan has either creditable or non-creditable prescription coverage. The purpose of that notice is to alert members who are, or who may be, eligible for Medicare, that your group plan provides prescription coverage. Once your plan renews, you need to go on-line to advise CMS of the creditability status of the plan. The web-site for CMS is [www.cms.hhs.gov](http://www.cms.hhs.gov). If your members and/or their dependents are not eligible for Medicare, then you do not have to do anything.

We look forward to speaking to you about your renewal. We appreciate your business and look forward to serving you and your employees in the years to come. Thank you.

Sincerely,

  
Debbie Biondi

# Millville Housing Authority

HEALTH PLAN COST COMPARISON  
PRESENTED BY  
ALLEN ASSOCIATES

**Lebra Rothschild is not included in the premium calculations as she pays for her Cobra cost**

Member pays contracted rates for services until deductible is paid. Then the co-pay structure of the medical plan kicks in.

### HRA Accounts:

Employer contributes to Health Reimbursement Account

Employer pays for covered qualified medical expenses out of HRA funds

At the end of the year, any money remaining in the HRA account can roll over for the next year.

### The employer owns the HRA account.

The Individual Deductible only pertains to those enrolled with Single coverage.

The Family Deductible applies when member has one or more dependents enrolled with them.

The co-pay structure of the medical plan does not take effect until the entire deductible is paid, except for Preventative Care.

## Horizon Blue Cross Blue Shield of NJ

Group currently reimburses members for the full initial deductible, and 1/2 of that sum for RX and hospital related expenses.

			Current
High Deductible EPO HRA/HSA compatible	Single	7 @ \$ 583.27	
Referrals are Not Required	P/Ch	1 @ \$ 1,052.74	
Preventive care: No deductible; 100%	H/W	1 @ \$ 1,241.73	
Deductible: \$2,500 indiv./\$5,000 Family	Family	<u>1</u> @ \$ 1,755.27	
Dr.: <i>AFTER DEDUCTIBLE</i> : \$30 PCP/ \$50 Specialist	Total	10	
Out Patient Lab/X-Ray: <i>AFTER DEDUCTIBLE</i> : \$50			
Out Patient Complex Imaging: <i>AFTER DEDUCTIBLE</i> : \$100			
In Patient Hospital: <i>AFTER DEDUCTIBLE</i> : \$500/day, 1st 5 days, per admis.			
Emergency Room: <i>AFTER DEDUCTIBLE</i> : \$100			
Out-Patient Surgery: <i>AFTER DEDUCTIBLE</i> : \$250			
Durable Medical Equipment: <i>AFTER DEDUCTIBLE</i> : 50%			
RX: <i>AFTER DEDUCTIBLE</i> : 50% cost of medication		Total Monthly Premium	\$ 8,132.63
Deductibles & OOP Maximums are per Calendar year		Total Annual Premium	\$ 97,591.56
Max Out-of-Pocket (MOOP) is the Deductible + Co-Pays including RX			
Max Out-of-Pocket (MOOP): \$5,000 indiv/\$10,000 family			
Lifestyle medications, such as Viagra, Prescription Vitamins, ect. are excluded			

### The group reimburses the deductible per member

	Total Annual Premium	\$ 97,591.56
Budget	100% Ded. contribution	\$ 32,500.00
Budget	HRA level 2	\$ 16,250.00
	Approx. Cost of HRA plan	\$ 1,200.00
Member exposure is \$1,250 Single / \$2,500 Family	Total Annual Premium	\$ 147,541.56

## Horizon Blue Cross Blue Shield of NJ

**Grandmothered  
Renewal**

High Deductible EPO HRA/HSA compatible                      Single    7    @    \$ 607.21

Referrals are Not Required    P/Ch    1    @    \$ 1,095.96

Preventive care: No deductible; 100%                                      H/W    1    @    \$ 1,292.71

Deductible: \$2,500 indiv./\$5,000 Family                                      Family    1    @    \$ 1,827.32

Dr.: *AFTER DEDUCTIBLE* : \$30 PCP/ \$50 Specialist                                      Total    10

Out Patient Lab/X-Ray: *AFTER DEDUCTIBLE*: \$50

Out Patient Complex Imaging: *AFTER DEDUCTIBLE* : \$100

In Patient Hospital: *AFTER DEDUCTIBLE*: \$500/day, 1st 5 days, per admis.

Emergency Room: *AFTER DEDUCTIBLE* : \$100

Out-Patient Surgery: *AFTER DEDUCTIBLE*: \$250

Durable Medical Equipment: *AFTER DEDUCTIBLE*: 50%

RX: *AFTER DEDUCTIBLE* : 50% cost of medication

Total Monthly Premium                      \$        8,466.46

Deductibles & OOP Maximums are per Calendar year

Total Annual Premium                      \$    101,597.52

Max Out-of-Pocket (MOOP) is the Deductible + Co-Pays including RX

Difference                                      \$        4,005.96

    Max Out-of-Pocket (MOOP): \$5,000 indiv/\$10,000 family

% of Increase/Decrease                      4%

Lifestyle medications, such as Viagra, Prescription Vitamins, ect. are excluded

### The group reimburses the deductible per member

	Total Annual Premium	\$ 101,597.52
Budget	100% Ded. contribution	\$ 32,500.00
Budget	HRA level 2	\$ 16,250.00
	Approx. Cost of HRA plan	<u>\$ 1,200.00</u>
Member exposure is \$1,250 Single / \$2,500 Family	Total Annual Premium	\$ 151,547.52
	Difference	\$ 4,005.96
	% of Increase/Decrease	3%