



To: Goodhue County Commissioners  
From: Goodhue County Insurance Committee  
Date: August 30, 2022  
Re: 2023 Health Insurance

The Goodhue County Insurance Committee met on August 17<sup>th</sup> and August 30<sup>th</sup> to review the health insurance renewal information for January 1, 2023.

As part of the RFP process in 2021, Blue Cross Blue Shield had given Goodhue County the following rate guarantees:

- 2023: Not more than 7%
- 2024: Not more than 7.5%
- 2025: Not more than 8%

These rate guarantees are significant for our group. Based on our plan usage, the increase for 2023 would have been in excess of 30% if not for the rate guarantees.

	<b><u>2023 Monthly Premium</u></b>
<b>Plan 1</b>	
Single	\$670.92
Family	\$2,011.94
<b>Plan 2</b>	
Single	\$500.66
Family	\$1,501.36

### **Proposed Changes for Plan 1**

For 2023, the IRS announced changes to the minimum deductible amounts for high deductible health plans (HDHPs). In order to maintain HSA compatibility as well as the embedded deductible on the plan, Plan 1 deductibles and out of pocket maximums need to increase accordingly.

	<b><u>Current</u></b>	<b><u>2023</u></b>
<b>Deductible*</b>		
Single	\$2,800	\$3,000
Family	\$5,600	\$6,000
<b>Out of Pocket Maximum*</b>		
Single	\$3,000	\$3,400
Family	\$6,000	\$6,800

*\*In-network. Out-of-network amounts are higher.*

The IRS reviews and adjusts HSA contribution and HDHP deductibles on an annual basis and periodically the adjustments impact County plans. The IRS made similar adjustments to the minimum

deductibles for 2018 and 2020 plan years. The Insurance Committee has consistently recommended increasing the Plan 1 deductibles and out of pocket maximums to maintain HSA compatibility and embedded deductible status of the plan. The Board approved the recommended increases for [2018](#) and [2020](#).

### **Proposed Changes for Plan 2**

In anticipation of the “Cadillac Tax”, the County implemented a “Minimum Value Plan” option in 2016 and this plan is now known as Plan 2. The current deductibles and out of pocket maximums for Plan 2 no longer align with “Minimum Value Plan” definitions.

In order to align with “Minimum Value Plan” definitions, the Insurance Committee recommends adjusting the Plan 2 deductibles and out of pocket maximums for 2023 to:

	<b><u>Current</u></b>	<b><u>2023</u></b>
<b>Deductible*</b>		
Single	\$6,650	\$7,500
Family	\$13,300	\$15,000
<b>Out of Pocket Maximum*</b>		
Single	\$6,650	\$7,500
Family	\$13,300	\$15,000

*\*In-network. Out-of-network amounts are higher.*

The County Board approved a similar increase to the Plan 2 deductibles and out of pocket maximums for the [2018](#) plan year, but no adjustments have been made since then.

### **Health Savings Account**

Goodhue County contributes to a health savings plan (HSA) for eligible employees enrolled in County health insurance plans. The County contribution is equal to 50% of the deductible for the plan and coverage level (single or family) elected by the employee.

If the deductibles for Plan 1 and Plan 2 are increased for 2023, the County HSA contributions will increase commensurately.

	<b><u>Current</u></b>	<b><u>2023</u></b>
<b>Plan 1</b>		
Single	\$1,400	\$1,500
Family	\$2,800	\$3,000
<b>Plan 2</b>		
Single	\$3,325	\$3,750
Family	\$6,650	\$7,500

### **Recommendation**

The Goodhue County Insurance Committee recommends increasing the deductible and out of pocket maximums for Plan 1 and Plan 2 as outlined above starting January 1, 2023.