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To: Goodhue County Commissioners  
From: Goodhue County Insurance Committee  
Date: September 9, 2024  
Re: 2025 Health Insurance

The Goodhue County Insurance Committee met on August 15 and September 5, 2024 to review insurance renewal information for January 1, 2025.

## HEALTH INSURANCE

As part of the bidding process in 2021, the Blue Cross Blue Shield quote provided for three years of rate guarantees as follows:

- 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 2025 would have exceeded 50% if not for the rate guarantees. Below are the 2025 monthly premiums for the health insurance plans.

### 2025 Monthly Premiums

<b>Plan 1</b>		<b>Plan 2</b>	
Single	\$775.30	Single	\$556.24
Family	\$2,324.98	Family	\$1,667.93

### PROPOSED CHANGES FOR PLAN 1

For 2025, 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>Deductible*</b>	<b><u>Current</u></b>	<b><u>2025</u></b>
Single	\$3,200	\$3,300
Family	\$6,400	\$6,600

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	<u>Current</u>	<u>2025</u>
<b>Out of Pocket Maximum*</b>		
Single	\$3,400	\$3,400
Family	\$6,800	\$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 generally the adjustments impact County plans. 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, 2020, 2023, and 2024.

## **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.

In order to maintain “Minimum Value Plan” status, the Insurance Committee recommends adjusting the Plan 2 deductibles and out of pocket maximums for 2025 to:

	<u>Current</u>	<u>2025</u>
<b>Deductible*</b>		
Single	\$8,050	\$8,300
Family	\$16,100	\$16,600
<b>Out of Pocket Maximum*</b>		
Single	\$8,050	\$8,300
Family	\$16,100	\$16,600

*\*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, 2023, and 2024 plan years.

## **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 2025, the County HSA contributions will increase commensurately.

	<u>Current</u>	<u>2025</u>
<b>Plan 1</b>		
Single	\$1,600	\$1,650
Family	\$3,200	\$3,300
<b>Plan 2</b>		
Single	\$4,025	\$4,150
Family	\$8,050	\$8,300

## DENTAL INSURANCE

Goodhue County provides two dental plan options: low plan and high plan. For employees enrolled in health plan 2 (“minimum value plan”), the County offers complimentary dental coverage on the low plan option. All other dental plan participants may enroll on a voluntary basis and are responsible for premiums.

For 2025, dental rates will increase by 8.3% overall and plan rates are shown below.

	<u>Current</u>	<u>2025</u>
<b>Low Plan</b>		
Single	\$28.82	\$31.22
Single + spouse	\$57.62	\$62.42
Single + child(ren)	\$66.76	\$72.32
Family	\$100.58	\$108.96
	<u>Current</u>	<u>2025</u>
<b>High Plan</b>		
Single	\$49.96	\$54.12
Single + spouse	\$99.94	\$108.28
Single + child(ren)	\$96.48	\$104.52
Family	\$152.64	\$165.36

## ACCIDENT INSURANCE

Group accident insurance is available to eligible employees. For employees enrolled in health plan 2 (“minimum value plan”), the County offers complimentary accident insurance coverage to employees and covered family members. All other accident plan participants may enroll on a voluntary basis and are responsible for premiums. Accident coverage is provided by AFLAC and the 2025 proposal is to maintain current premiums (0% increase).

## OTHER VOLUNTARY INSURANCE PROGRAMS

Goodhue County offers group coverage for vision, hospital indemnity, critical illness, life, short-term, and long-term disability insurance to eligible employees. We are pleased to report these plans have rate guarantees or are proposed to maintain current premiums (0% increase) for 2025.

## RECOMMENDATIONS

The Goodhue County Insurance Committee recommends adopting the insurance plan renewals including the changes noted above starting January 1, 2025.