

Voluntary Group Vision Insurance Plan and Expanded Employee Assistance Program

**Briefing
by
Human Resources Department**



**CITY OF HOUSTON
BUDGET AND FISCAL AFFAIRS COMMITTEE
JANUARY 29, 2013**

OVERVIEW

The City's 50,000 employees and their dependents will be eligible for a Voluntary Group Vision Insurance Plan and an expanded Employee Assistance Program (EAP).

Vision

- The Cigna medical plans provide a benefit that is limited to an annual eye exam and up to a 20 percent discount on appliances and lens.
- The proposed vision program will provide comprehensive eye examinations, a generous allowance for appliances, and 100% coverage of many services.
- All employees, not just those covered under the Cigna plans, may participate in the plan.
- Only employees' contributions will fund the program.

EAP

- The EAP staff of two (2) counselors and one administrative assistant is insufficient to provide counseling services to the City's 50,000 employees and their dependents.
- The Expanded EAP will be available to the population 24/7/365 in locations throughout the city and local communities where employees live and can gain easy access.
- The Expanded EAP will provide a wide range of professional counseling and training services both to employees and the City's management team.

PROCUREMENT PROCESS

- RFPs released October 2012. Responses due November 2012.
- Eight (8) vendors proposed 26 plans for the Group Vision Insurance Plan to provide vision benefits, claims processing, and other related administrative services.
- Six (6) vendors proposed an Expanded Employee Assistance Program to provide counseling, critical incident assistance, and work/life services 24/7/365.
- Proposals were reviewed by Chapman Schewe Consultants, COH Strategic Benefits staff, and Internal EAP Counselors.

PROCUREMENT PROCESS CONT'D

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Criteria for evaluation of proposals:

- The ability of the vendor to perform the Scope of Services requested in the RFP
- Financial competitiveness and guarantees against rate escalation over a multi-year contract
- Accessibility of network providers to employees
- The ability of the vendor to provide the best value for the dollars that employees or the City of Houston will expend
- References

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GROUP VISION INSURANCE PLANS

WHY OFFER A VISION INSURANCE PLAN?

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- Vision care is a value-added benefit, and is important for the well-being and overall health of city employees. This is a stand-alone voluntary benefit for employees that is affordable and gives them access to full-service vision benefits.
- Employees will also experience a substantial savings on frames, specialty lenses, and contact lenses, and a generous Lasik allowance.
- Early detection and treatment of eye disorders and systemic diseases such as diabetes and hypertension, can protect your eyes against serious vision loss and prevent potential increases to medical expenditures and lost productivity costs to the city and to the employee.

EMPLOYEE BI-WEEKLY VOLUNTARY CONTRIBUTIONS

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| Tiers | Full Service Plan |
|-----------------------|--------------------------|
| Employee Only | \$3.83 |
| Employee + Spouse | \$6.53 |
| Employee + Child(ren) | \$6.90 |
| Employee + Family | \$10.35 |
| Rate Guarantee | 5 years |

COST OF EYEGLASSES & CONTACT LENSES

SAVINGS TO THE EMPLOYEES, CHILDREN & SPOUSES

| Eye Glasses Benefit | Retail Cost | Full Service Plan |
|---|--------------|---|
| Eye Examination | \$98 | \$20 co-pay |
| Frame (using your allowance) | \$150 | \$25 co-pay |
| | | \$150 allowance (up to 20% discount for overage) |
| Premium Progressives <input type="checkbox"/> | \$200 | \$0 |
| Tint | \$20 | \$0 |
| Scratch-Resistant Coating | \$33 | \$0 |
| Hi-Index | \$120 | \$0 |
| Photochromic | \$123 | \$0 |
| Total Cost to Member | \$744 | \$45 |
| Savings to Employee/Dependents | | \$699 |
| Contact Lenses and Lasik Benefit | | |
| Contact Lenses and Fitting | | \$150 Allowance |
| Lasik | | \$300 Allowance |

WHO ARE THE SERVICE PROVIDERS?

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Services are available in the Houston Metro area at 626 independent providers and 508 retail providers. The providers include but are not limited to:

- Wal-Mart
- Sam's Club
- EyeMasters/Visionworks
- Texas State Optical (TSO)
- Eye Care Centers of America
- Today's Vision
- Sterling Optical

EXPANDED EMPLOYEE ASSISTANCE PROGRAM

EAP SERVICES

The services include but are not limited to counseling for:

- Anger
- Stress
- Grief
- Depression
- Sleeping disorders
- Eating disorders
- Marital issues
- Relationship communication issues
- Conflict resolution
- Domestic violence
- Dual career issues
- Separation or divorce
- Parenting
- Family violence
- Aging parents or relatives
- Children and adolescents
- Alcohol and drug problems
- Work problems
- Job dissatisfaction
- Authority conflicts
- Financial
- Legal concerns
- Group counseling or debriefing with employee groups experiencing emotional trauma related to events occurring in the community or workplace

WHY EXPAND EAP?

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- Stress and Depression are among the COH's top 10 healthcare issues
- Mental health claims incurred May 2011 through August 2012 and paid through October 2012 totaled over \$1.7 million
- Mental health prescription drugs filled May 2011 through October 2012 totaled \$7.9 million or 11.86% of total plan prescriptions paid
- Enhance/strengthen the current staff to better support counseling needs of employees and their dependents

WHY EXPAND EAP? CONT'D

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Current EAP

- Has only two counselors
- Operating hours:
Monday – Friday;
8 am to 5 pm
- Limited early morning or
after hours appointments
- Has only two locations
- Limited resources for
wellness education

Expanded EAP Vendor

- Has over 2,000 counselors
- Operating hours:
24/7/365
- Operates in Houston area
and surrounding counties
- Highly skilled counselors
staff phones and authorize
referrals
- Offers wellness education
and preventive strategies

WHY EXPAND EAP? CONT'D

Here are a few recent examples of documented EAP outcomes:

- **Chevron** has recognized savings of \$50,000 per case from reduced turnover due to EAP use. Chevron also reported *“employee performance improved 50% following a supervisor referral to the EAP.”*
- An **Abbott Laboratories** study reported a 6 to 1 return on dollars spent for the EAP, and noted that the average employee who utilized the EAP spends \$10,000 less for inpatient medical costs than non-EAP clients over a three-year period.
- **Virginia Power** reported a 23% reduction in medical costs for employees using the EAP.
- **Campbell Soup Company** saved 28% in mental health costs using its EAP.
- In a landmark study, the **Northwestern National Life Insurance Company** noted: *“Providing an Employee Assistance Program is one of the top ten actions an organization can take to reduce the potential for workplace violence.”*

EXPANDED EAP SUMMARY

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- The expanded EAP will provide a wide range of professional counseling and training services to employees and the City's management team.
- Bolster the City's current EAP by providing access to highly skilled counselors and practitioners in the Houston area and surrounding communities.
- City employees and their dependents will be provided a dedicated 800 number to seek services 24/7/365.

RECOMMENDATIONS

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Approve:

- Voluntary Group Vision Insurance Plans (fully-funded by employee contributions) – *Block Vision, Incorporated*
- Expanded Employee Assistance Program – *ComPsych Corporation*