

INTEROFFICE MEMORANDUM

June 6, 2011

MEMO TO: J. Russell Allen
City Manager

FROM: Jamie Brown
Budget and Management Analyst

SUBJECT: Budget Note 3 – Proposed Budget Presentation Supplemental Handouts

On Tuesday, May 17, 2011 the FY12 Proposed Budget was presented to City Council. As part of the presentation the following attachments were presented to Council as supplemental handouts to provide additional detail regarding major changes in the FY12 Proposed Budget:

- Attachment A: Summary of Proposed Personnel Related Reductions Impacting the General Fund
- Attachment B: Additional FY12 General Fund Costs
- Attachment C: Summary of FY12 Proposed General Fund Reductions
- Attachment D: Employee Benefit Changes Proposed for FY12

FY2011-2012 Proposed Budget Presentation
Supplemental Handout

SUMMARY of PROPOSED PERSONNEL RELATED REDUCTIONS IMPACTING THE GENERAL FUND

	Amount	#	Department	Title	Service Impact
33 vacant positions eliminated	(165,036)	1	City Manager	Assistant City Manager	Eliminated through the City's reorganization with no impact to service levels.
	(175,313)	1	Planning and Economic Development	Development Services Technician II	Eliminated as a result of efficiencies gained through a reorganization of the former Planning, Inspections and Development Services departments. No impact in service levels.
		1	Planning and Economic Development	Development Services Technician I	
		1	Planning and Economic Development	Senior Planner	
	(433,848)	7	Solid Waste	Service Specialists	Continued implementation of the new automated curbside recycling program and a reorganization of SWS has allowed the reduction of 12 positions with no impact in service levels.
		5	Solid Waste	Equipment Operator II's	
	(540,493)	1	Police	Senior Police Records Specialist	Elimination of these positions will result in the loss of records customer support and a reduction in telephone reporting capabilities.
		3	Police	Police Records Specialists	
		6	Police	Information Response Technicians	
	(102,195)	1	Parks & Rec	Service Specialist (Highway Garden)	The frequency of landscape maintenance will decline.
		1	Parks & Rec	Service Specialist (Highway Turf)	
		1	Parks & Rec	Service Specialist (District 3)	
	(281,388)	1	PW-Street Maintenance	Engineering Inspections Manager	Eliminated due to efficiencies gained through reorganization. Service level reductions will not occur.
		1	PW-Street Maintenance	Service Specialist	
1		PW-Streets/Stormwater	Service Specialist		
1		PW-Design/Construction	Project Engineer II		
Subtotal	(1,698,273)	33			

Eliminated 1.5% range adjustment	(1,200,000)
Deferred 1/3 reclassifications	(1,000,000)
Suspended merit pay	(950,000)
Reduced 457 supplemental retirement match maximum	(900,000)
TOTAL	\$ (5,748,273)

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Supplemental Handout

ADDITIONAL FY12 GENERAL FUND COSTS

Added 9 General Fund positions	Amount	#	Department	Title	Service Impact
	36,829	1	Parks & Rec	Service Specialist	Funding for one Service Specialist to provide maintenance services for the Greenway Division, supporting the addition of greenway trails totaling 16.9 miles in FY12 and other operational supplies and utility costs.
	49,129	1	Parks & Rec	Maintenance Mechanic III	Funding for one Maintenance Mechanic III position to provide maintenance and repair services at Pullen Park, Pullen Aquatics, Pullen Community Center, Raleigh Little Theatre, Theatre in the Park, Jaycee, Fletcher Park, Lake Johnson, Kentwood and Powell Drive.
	73,636	2	Parks & Rec	Gardener and Service Specialist	Funding for one Gardener and one Service Specialist to provide landscape, grounds maintenance and horticultural management. Sites served will include Pullen Park, Theatre in the Park and the Rose Garden attached to Raleigh Little Theatre.
	41,862	1	Parks & Rec	Recreation Facilities and Program Supervisor III	Funding for one Recreation Facility and Program Supervisor III position to direct and supervise the activities of Buffalo Road Aquatic Center. Funding for 9 months.
	59,690	2	Parks & Rec	Recreation Facilities and Program Supervisor II	Funding for two Recreation Facility and Program Supervisor II positions to direct and supervise the activities of Buffalo Road Aquatic Center. Funding for 7 months.
	39,655	1	Parks & Rec	Facility Operations Manager	Funding for one Facility Operations Manager position to provide maintenance and supervisory services supporting Buffalo Road Aquatic Center. Funding for 9 months to ensure adequate time for building commissioning and necessary staff training.
	55,918	1	Parks & Rec	Building Automation System Specialist	Funding for one Building Automation System Specialist to conduct facility conservation audits and building systems' assessments to address conservation and efficiency opportunities, oversee Wilder's Grove Remote Operations Center, and train staff on efficient and sustainable energy usage.
Subtotal	356,719	9			
Support for Parks & Recreation Facilities	349,224		Parks & Rec	Pullen Amusement Center	Funding to operate facility including utility costs, part-time salaries, and supplies. Facility is scheduled to open in November 2011.
	320,613		Parks & Rec	Buffaloe Road Aquatic Center	Funding to operate facility including utility costs, part-time salaries, and supplies. Facility is scheduled to open in January 2012.
	181,560		Parks & Rec / SWS	Wilder's Grove Remote Operations	Funding to operate facility including utility costs and supplies. Facility is scheduled to open in July 2011.
	47,798		Parks & Rec	Remote Operations Centers (Northeast and Downtown)	Funding for base operational needs to maintain security, service contracts and utility costs associated with partially occupied facilities.
Subtotal	899,195				
Retirement Contributions	830,000				The employer contribution to the Local Government Employees' Retirement System (LGERs) is increasing from 6.35 percent of total compensation to 6.88 percent for general employees and from 6.82 percent of total compensation to 7.35 percent for sworn police officers. Based on information from the LGERs, we anticipate additional increases to these contribution rates in future fiscal years.
Active Employee Health/Dental	2,015,000				The employer side contribution for employee health and dental insurance is increasing 8.8% over FY11 costs. This reflects the savings realized with the proposed health insurance plan changes for FY12.
Parking Fund	1,500,000				The General Fund will provide operating support to the Parking Fund in FY12. Economic conditions and lower than projected receipts led to reduced parking revenues for the upcoming year.
TOTAL	\$5,600,914				

FY2011-2012 Proposed Budget Presentation Supplemental Handout

SUMMARY of FY12 PROPOSED GENERAL FUND REDUCTIONS

Department	Reduction	Amount	Service Impact (if applicable)
Public Works	Decreases overtime salaries .	(60,118)	May impact inclement weather operations performed by the Streets Division.
	Decreases contractual services.	(40,145)	May impact traffic loop repairs and pavement markings managed by the Transportation Operations Division
Information Technology	Eliminates two contract project managers and reduces the budget for interns.	(393,000)	
	Reduces training budget City-wide and departmentally.	(62,625)	City staff will no longer be provided with in-house training on basic computer and internet navigation or Microsoft Office suite products, and departmental staff and management trainings will be reduced.
	Eliminates funding for Google search solution.	(25,000)	City website search will remain on a single server, potentially impacting uptime if the server has issues.
	Reduces testing budget.	(20,000)	By moving all testing in-house, major testing activity could potentially be delayed.
Parks & Recreation	Reduces maintenance and operating funds in Parks, Highway and Urban Forestry Divisions.	(154,094)	Will result in reduced cleaning frequencies, reduced maintenance of turf and landscaped areas, and extended timelines for completion of in-house construction projects. The addition of eight new parks will increase demand for resources needed to provide regular maintenance and repair at all parks.
	Reduces Small Equipment and Repairs to Buildings and Structures accounts.	(38,090)	May reduce the department's ability to quickly complete major repairs, prolonging service time and ability to perform day-to-day operations.
	Eliminates annual tree pruning contract in parks focusing on ballfield fence pruning, pruning for safety over walking trails, buildings, comfort stations and picnic shelters.	(34,647)	This responsibility would be shifted to Urban Forestry Division staff, increasing a backlog of work orders.
	Reduces the Urban Forestry Division operating budget.	(14,000)	Combined with Capital Improvement Program reductions, this will reduce the number of downtown trees replaced in FY12 by twenty and eliminate replacement of up to 50 street trees in residential areas (excluding NeighborWoods Program trees).
	Reduces Parks and Recreation's employee and management training. Courses reduced or eliminated include: We Now, Capital Leadership II, and web training.	(12,000)	
	Defers pre-emergent herbicide application for one year.	(10,000)	Results in additional weed growth in park and highway landscapes, reduced athletic turf quality, and increase in application of post emergent herbicides.

FY2011-2012 Proposed Budget Presentation Supplemental Handout

Department	Reduction	Amount	Service Impact (if applicable)
Parks & Recreation	Eliminates Greenway Division overtime funds.	(5,268)	Will discontinue the provision of additional services after hours and on weekends.
Budget & Management Services	Reduce funding for Real Estate Specialist due to the projected decreased volume of property acquisition and disposition demands the first half of the fiscal year.	(36,000)	
	Reduce professional services for budget module support.	(20,000)	Will require increased reliance on internal City IT resources for system support .
Solid Waste Services	No increase in funding of Recycling Advertising budget.	-	Will affect recycling revenues, program effectiveness and efficiency, and community support of the roll out carts and bi-weekly collection efforts.
	No increase in funding to support purchase of recycling igloos for multi-family residences results in a decrease the number of new residences that can join the multi-family recycling program.	-	This results in multi-family communities being placed on a wait list, decreases the amount of potential waste that can be diverted from landfills, and decreases recycling revenues that the City could receive.
	Decrease in funding for the purchase of replacement of residential garbage carts.	(60,000)	
Personnel	Reduces annual eligible award amount for Tuition Reimbursement program for employees from \$2,000/year to \$1,250/year.	(52,500)	
	Reduces organizational development & training budget.	(40,000)	Will limit ability to utilize consultants for specialty training and likely reduce the training opportunities and activities provided by the department.
Community Services	Reduces the number of city-funded Raleigh Summer Youth Employment Program positions from 165 to 130. The department is hoping to fill the 35 positions with Workforce Investment Act (WIA) funds.	(70,000)	Any of the 35 positions that are not filled with youth qualifying for the WIA program will remain unfilled.
	Reduces CAC Community Awareness funds by reducing the amount allocated to each CAC to promote awareness of and participation in the CAC from \$2,500 to \$1,000 each.	(42,000)	The elimination of "high-tech" community awareness efforts will be offset by the continued use of existing staff and resources to promote CACs widely, such as City website and publications, RTN, social media, and news media.
	Reduces maximum award amount for Neighborhood Improvement Matching Funds from \$5,000 to \$1,000.	(35,000)	Funds for neighborhood identity signs will no longer be available.
	Discontinues the City's Vista Program that includes the loss of \$314,800 in grant funding that paid for staffing and logistics.	(24,500)	The end of the program impacts seven departments that must find ways to sustaining the anti-poverty initiatives staffed by 14 VISTA members. Departments impacted include Community Services, Information Technology, Police, Parks & Recreation, Administrative Services, Public Works, and City Manager's Office.

FY2011-2012 Proposed Budget Presentation Supplemental Handout

Department	Reduction	Amount	Service Impact (if applicable)
Emergency Communications Center	Lack of funding for the replacement or expansion of the infrastructure for the UHF radio system places the reliability of the non-public safety radio system in jeopardy. The UHF radio system also serves as a backup to the public safety radio system.	-	
	Lack of funding for additional staffing and upgrades to the console configuration will impede the departments ability to meet the new standards adopted by the State of North Carolina for 9-1-1.	-	
Fire	Delays the next Fire Training Academy for six months.	(324,000)	The department holding at least twelve firefighter positions vacant until the start of the new year (January 2012).
	Limits uniform and safety shoe replacements for all divisions to emergency replacement needs.	(229,000)	
	Delays replacement of two fire engines with high repair costs and excessive mileage.	-	The older apparatus will have higher maintenance costs and down time that may result in fire companies being out of service and unable to respond to emergencies for short periods of time while switching to reserve apparatus if and when available.
Police	Reduces funding for part-time temporary/seasonal positions.	(200,000)	Will result in fewer retirees able to work special assignments and fewer community service representatives (CSRs) working downtown.
	Delays the next Police Training Academy for six months.	(815,000)	Will result in the department holding approximately eighteen police officer positions vacant until the start of the new year (January 2012).
Agency Appropriations	Reduces Arts and Human Services grant funding; Reduces various "other" agencies grants.	(346,581)	
Various Dept Budgets	Eliminates funding for Raleigh Wide Open.	(126,000)	
Various Dept Budgets	Reductions in Rental of Real Property. Reduction is offset by \$216,642 in lost revenue from departing tenant.	(280,823)	
Various Dept Budgets	Reduction in fuel due to changes in fuel quantity and pricing	(611,772)	
TOTAL - GENERAL FUND			
TOTAL - GENERAL FUND		\$ (4,182,163)	

City of Raleigh

INTEROFFICE MEMORANDUM

May 16, 2011

MEMO TO: J. Russell Allen
City Manager

FROM: Jamie Brown, Budget & Management Analyst

SUBJECT: Employee Benefit Changes Proposed for FY12

The FY12 Proposed Budget includes a number of proposed employee benefit changes that range from benefit reductions, suspensions, and eliminations to structural changes to the employee health insurance program. Each of the proposed changes aims to meet the following budget priorities: 1) avoid employee layoffs; 2) maintain the City's customer cost competitiveness; 3) minimize service reduction impacts on our citizens; 4) open our new facilities; and 5) ensure the long term financial sustainability of our general governmental operations and enterprises. Additionally, a senior management working group formed to specifically consider employee benefit changes in this budget year and they identified the following three priorities when considering proposed changes: 1) no employee layoffs; 2) preserve the most essential benefits (i.e. leave, base pay, health insurance); and 3) no reduction in hourly wage or salary. Attachment A includes additional information related to general economic and budgetary context of the proposed employee benefit changes.

Proposed Employee Benefit Reductions, Suspensions, and Eliminations

- Suspension of merit pay
- Suspension of range adjustment (2nd year)
- Reduction of 457 supplemental retirement match from 3% to 2% - the City will match the first 1% of the employee's contributions at a 2:1 ratio
- Deferral of annual review of 1/3 of the City's job classifications (2nd year)
- Elimination of the Spanish proficiency incentive
- Elimination of Award for Service for new employees hired on or after July 1, 2011 – Award for Service eligibility is proposed to remain unchanged for existing employees
- Reduction of tuition reimbursement maximum from \$2,000/year to \$1,250/year

Proposed Changes to Employee Health Care Program

The rate of growth in the City's health care costs between FY08 and FY11 is approximately 54.6% while the rate of inflation for this same time period is just 7.8%. As currently structured, the City's health insurance program is not financially sustainable. The proposed plan changes include strategies that increase personal accountability of employees, provide more information and greater choice to help employees make the most cost effective health choices, and provide a robust Wellness program to increase the health and wellness of all employees. Please see Attachment B for more general information about the City's Employee Health Care Program.

Proposed changes in the employee health insurance program (effective October 2011 – September 2012) include:

- Introduction of two plan options, a monthly individual employee premium, and incentives for annual Health Risk Assessment (HRA) participation and non-tobacco use
 - Option 1 – PPO A:
 - Monthly premium of \$40 for individual employee – free if employee completes an annual HRA and is not a tobacco user
 - Lower monthly premiums for dependents
 - Increased deductibles/co-insurance/co-pays
 - Option 2 – PPO B:
 - Existing plan's level of deductibles/co-insurance/co-pays
 - Monthly premium of \$83 for individual employee and higher premiums for dependent coverage
 - \$40 monthly premium discount if employee completes annual HRA and is not a tobacco user
- Replaces "Employee-Child" dependent election with "Employee Children" category

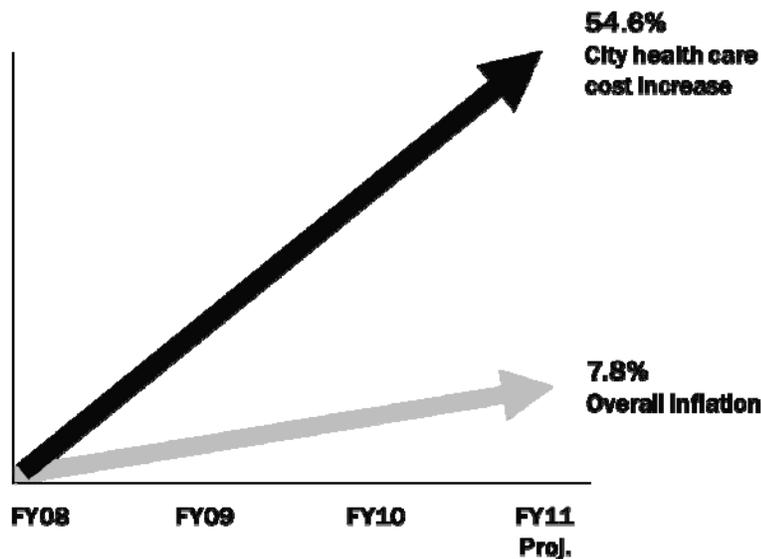
For more detailed information related to the employee health care program, please see Attachment C (comparison of employee monthly premiums under current and proposed plans) and Attachment D (proposed two-tier health plan structure). Additionally, Attachment E provides an overview of how the City's FY12 proposed health care plan compares with current plan offerings of a number of our regional peers.

The City's employer side costs under this proposal will increase approximately \$2 million dollars in FY12 – an increase of approximately 8.8% over FY11 costs. However, without the proposed plan changes, the employer side costs would increase a total of approximately \$3.7 million – an increase of approximately 16.3% over FY11 costs.

General Economic/Budgetary Context of Changes

1. The drop in revenues since the recession hit in 2008 has been of historic and sustained proportions.
2. The economy is showing preliminary signs of recovery, but the rate of recovery is very uncertain and projected to be slow.
3. The City's General Fund revenues are projected to increase less than \$1 million in FY2012.
4. The City's population is still growing as are service delivery demands.
5. Raising property tax rates is not a viable option in current climate.
6. We've had three years of reductions:
 - a. Eliminated positions
 - b. Implemented operating efficiencies and cut expenses
 - c. Deferred equipment replacements and capital maintenance
 - d. Reduced employee pay increases and health benefits
7. We have increased our investment in the Retirement System (LGERS) on behalf of our employees by more than 40% over the past two years – an increase of approximately \$4.5 million.
8. We have experienced significant increases in our health costs that outpaced inflation.

Rate of City Health Plan Cost Increase vs. Overall Inflation (FY08 – FY11 projected)

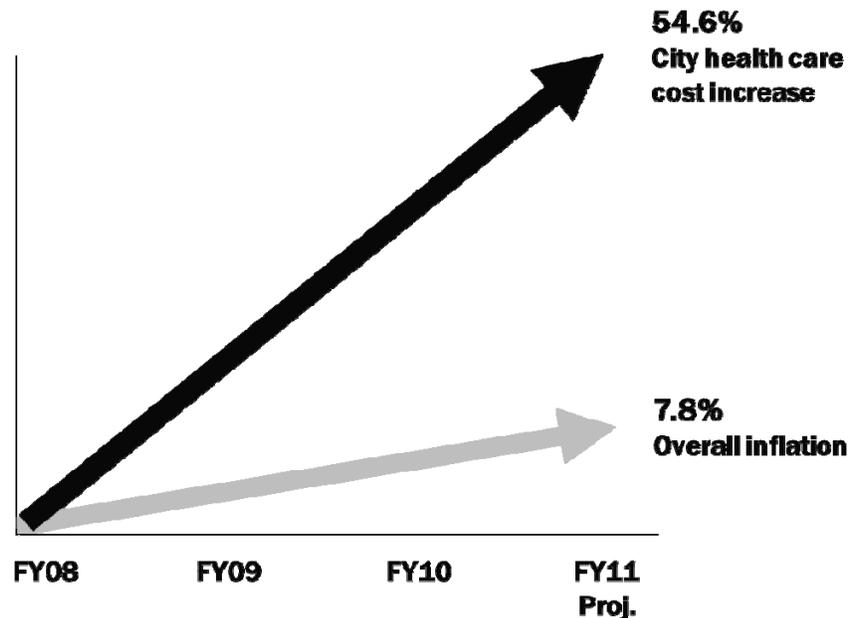


9. Other governmental units have struggled with the same issues:
 - a. Many have offered no pay increases and reduced other benefits (e.g., health care, merit pay, cost of living adjustments, longevity, and supplemental retirement).
 - b. Many have laid off employees.

General Information about the City's Employee Health Care Program

1. Throughout the nation, employers are struggling to control the rapidly rising cost of providing employee health insurance. The rate of growth in the City's health care costs between FY08 and FY11 is approximately 54%, which far exceeds the rate of inflation over this same period. As structured, the City's health care program is financially unsustainable. We are proposing strategies that increase personal accountability, offer more information to help employees make the most cost effective health choices (e.g., generics, visiting urgent care facilities instead of emergency rooms, etc.), and provide a robust Wellness program.

Rate of City Health Plan Cost Increase vs. Overall Inflation (FY08 – FY11 projected)



2. The City is self-insured, meaning the City (through tax revenue) and employees fund the full cost of medical coverage for employees and dependents. What this means is that each time an employee goes to the doctor and pays a \$20 co-pay, the City of Raleigh pays the remainder of the physician's bill directly.
3. Blue Cross Blue Shield of North Carolina (BCBSNC) is the medical insurance administrator. We do not pay a health insurance premium to them. Instead they charge us an administrative fee to review the claims and billing from health providers. This administrative fee also covers their interaction with employees and education materials. BCBS ensures that when a health provider submits a bill it complies with their contracted pricing schedule. BCBS then forwards the entire cost of that bill to the City for payment.
4. Our current plan is a preferred provider organizations plan (PPO). This type of plan offers the largest network of physicians and hospitals. The plan does not require referrals; however by selecting in-network providers, the plan pays a higher level of benefit. The proposal offer PPOs for both tier options.
5. In-network preventive care visits (e.g., annual physicals, mammograms, prostate screenings, etc.) are covered at 100% in both plans.

**Blue Cross Blue Shield PPO
Current Employee Monthly Premiums**

Current Plan	Employee Only	Employee + 1 Child	Employee + Spouse	Employee + Family
Monthly Premium	\$0	\$160	\$220	\$342

**Blue Cross Blue Shield PPO
Proposed Employee Monthly Premiums (October 2011 – September 2012)**

PPO "B" Option	Employee Only	Employee + Children	Employee + Spouse	Employee + Family
Takes HRA Not a Tobacco User	\$0	\$130	\$210	\$321
No HRA Not a Tobacco User	\$20	\$150	\$230	\$341
Takes HRA Tobacco User	\$20	\$150	\$230	\$341
No HRA Tobacco User	\$40	\$170	\$250	\$361

PPO "A" Option	Employee Only	Employee + Children	Employee + Spouse	Employee + Family
Takes HRA Not a Tobacco User	\$43	\$207	\$302	\$457
No HRA Not a Tobacco User	\$63	\$227	\$322	\$477
Takes HRA Tobacco User	\$63	\$227	\$322	\$477
No HRA Tobacco User	\$83	\$247	\$342	\$497

HRA = Health Risk Assessment

Blue Cross Blue Shield PPO

Proposed Two-Tier Health Plan Structure (October 2011 – September 2012)

Benefits	BCBS PPO "A" Option		BCBS PPO "B" Option	
	In Network	Out of Network	In Network	Out of Network
Deductible (Single/Family)	\$500 / \$1,000	\$1,000 / \$2,000	\$1,000 / \$2,000	\$2,000 / \$4,000
Co-insurance	80%	70%	80%	50%
Out-of-Pocket Max (Single/Family)	\$1,500 / \$3,000	\$3,000 / \$6,000	\$2,000 / \$4,000	\$4,000 / \$8,000
Lifetime Maximum	Unlimited		Unlimited	
Physician Services				
Preventive Office Visit	\$0	30% after deductible	\$0	50% after deductible
PCP Office Visit	\$20	30% after deductible	\$25	50% after deductible
Specialist Visit	\$40	30% after deductible	\$45	50% after deductible
Hospital/Urgent Care Services				
Inpatient and Outpatient	20% after deductible	30% after deductible	20% after deductible	50% after deductible
Emergency Room	\$200		\$250	
Urgent Care	\$40		\$45	
Prescription Drug – Retail 30 Day Supply				
Generic	\$0 / \$10		10% co-insurance w/ \$10 cap	
Brand	\$25		20% co-insurance w/ \$50 cap	
Non-Formulary	\$50		30% co-insurance w/ \$100 cap	

Comparison of City of Raleigh Proposed Health Plan to Current Health Insurance Plans in Various NC Governmental Employers (In-Network*)

Current Plan Offerings - Does Not Include any Changes to Be Made in the Next Budget Year														
	Proposed October 2011 City of Raleigh		State of NC Standard (80/20) Plan		Wake County		City of Charlotte		City of Durham		Town of Cary			
	PPO Plan A	PPO Plan B	PPO Plan	Basic (70/30) Plan	PPO w/ HRA**	PPO	PPO A	PPO B	Premium PPO	Core PPO	Basic PPO	Premium PPO	Core PPO	Basic PPO**
Deductibles and Co-Insurance														
Individual														
Annual Deductible	\$500	\$1,000	\$600	\$800	\$1,200	\$500	Non-Tobacco User - \$300 Tobacco User - \$600	Non-Tobacco User - \$900 Tobacco User - \$1,800	\$500 \$750		\$1,500	\$500	\$1,000	\$1,500
Co-Insurance Maximum	\$1,500	\$2,000	\$2,750	\$3,250	\$2,500	\$2,500	\$2,500	\$3,400	\$1,500 \$2,000 \$3,000 \$1,000		\$1,500	\$1,500	\$1,500	\$2,500
Family														
Annual Deductible	\$1,000	\$2,000	\$1,800	\$2,400	\$2,200	\$500	Non-Tobacco User - \$900 Tobacco User - \$1,200	Non-Tobacco User - \$2,700 Tobacco User - \$3,000	\$1,000 \$1,900 \$3,000 \$1,000		\$2,000	\$3,000	\$2,000	\$3,000
Co-Insurance Maximum	\$3,000	\$4,000	\$8,250	\$9,750	\$5,000	\$2,500	\$5,000	\$7,700	\$3,000 \$4,000 \$6,000 \$2,000		\$3,000	\$3,000	\$3,000	\$5,000
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited		\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Fees / Costs for Services														
Preventive Care Co-Pay	\$0	\$0	\$25	\$30	\$0 \$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Primary Care Office Visit	\$20	\$25	\$25	\$30	15% after deductible	20% after deductible	\$30	\$30	\$15 \$20 \$20 \$15		\$20	\$20	\$20	\$25
Specialist Office	\$40	\$45	\$60	\$70	15% after deductible	20% after deductible	\$40	\$40	\$30 \$40 \$40 \$30		\$40	\$40	\$40	\$50
Emergency Room Visit														
Copay	\$200 \$250	0%	\$200	\$250	\$100 (copay waived if admitted)	20% after deductible	\$150 (copay waived if admitted)	30% no deductible	\$300 \$450		0%	0%	0%	0%
Co-insurance														
Inpatient/Outpatient Facility														
Copay	\$0	\$0 \$200		\$250	\$0 \$100	\$0			\$0 \$0					
Co-insurance (after deductible)	20%	20%	20%	30%	15%	20%	15%	30%	10%	20%	20%	10%	20%	30%
Urgent Care copay or co-insurance	\$40	\$45	\$75	\$75	15% after deductible	20% after deductible	\$40	\$40	\$15 \$20 \$25 \$15		\$20	\$20	\$20	\$25
Prescription Drugs - Retail 30 Day Supply														
Generic***	\$10	10% to \$10 max	\$10	\$10	20% to \$100 max	\$7	\$7	\$7	\$0		\$0	\$0	\$0	\$0
Formulary Brand	\$25	20% to \$50 max	\$35	\$35	35% to \$100 max	\$35	\$35	\$35	\$20 \$30 \$30 \$20		\$25	\$25	\$25	\$30
Non-Formulary Brand	\$50	30% to \$100 max	\$55	\$55	50% w/ \$50 min & \$100 max	\$50	\$50	\$50	\$35 \$45 \$50 \$35		\$50	\$50	\$50	\$50
Monthly Premiums****														
Employee Only	\$43 - \$83	\$0 - \$40	\$0	\$0	\$22	\$11	\$124	\$115	\$65	\$0	\$0	\$95	\$0	\$0
Employee + 1 Child					\$214	\$142			\$350	\$156	\$120			
Employee + Children	\$207 - \$247	\$130 - \$170	\$238	\$179			\$409	\$382				\$357	\$197	\$129
Employee + Spouse	\$302 - \$342	\$210 - \$250	\$547	\$460	\$404	\$308	\$432	\$399	\$350	\$156	\$120	\$417	\$240	\$166
Employee + Family	\$457 - \$497	\$321 - \$361	\$580	\$490	\$596	\$476	\$460	\$421	\$592	\$396	\$275	\$650	\$409	\$306

*Additional out-of-network costs would apply, but have been excluded from this table for simplicity of data. Currently only 2.4% of active employee claims are from out-of-network providers.
 **Wake County's HRA Plan provides each individual subscriber and each family plansubscriber with a \$500/\$1,000 Health Reimbursement Account (HRA) that the employee can use to cover copays and deductibles.
 The Town of Cary's Basic PPO provides each subscriber with a \$600 contribution to a Flexible Spending Account to use on qualified medical expenditures.
 ***The City of Raleigh has a Medication Dedication program that provides free generic maintenance drugs to our members who have certain chronic conditions. By providing free drug coverage, adverse and more costly health effects are avoided.
 ****Raleigh's proposed premiums include a \$20 per month premium incentive for those employees who are non-tobacco users and an additional \$20 per month premium incentive for those who participate in an annual Health Risk Assessment.