



City of Saginaw

City of Saginaw

Meeting Date: 08/18/2015

Staff Contact: Dolph Johnson
Asst. City Manager

Agenda Item: 12
(CC-0815-14)

E-mail: djohnson@ci.saginaw.tx.us

Phone: 817-230-0325

SUBJECT: Consideration and Action regarding Employee Health, Dental, and Life Insurance; and Flexible Spending Account Benefit

BACKGROUND/DISCUSSION:

On August 4th a meeting of the Employee Insurance Committee was held with our consultants Jack Reaves and Brad McEowen. A summary of that meeting including the details of the committee's recommendation is included in the attached memo.

FINANCIAL IMPACT:

Funds for the group medical, dental, and life insurance are included in the budgets of the respective departments. Funds to cover the expenses will be included in the 2015-2016 fiscal year budget.

RECOMMENDATION:

Staff concurs with the Employee Insurance Committee's recommendation to stay with United Healthcare's 2TX/2V plan, continue dental coverage with Delta Dental, continue life insurance with Standard, and continue the Flexible Spending Account benefit through Alt-Bentley Yates Benefit Administrators.

Attachments

Memo with Attachments from Dolph Johnson

MEMORANDUM

DATE: August 11, 2015
TO: Nan Stanford, City Manager
FROM: Dolph Johnson, Assistant City Manager
RE: Employee Health, Dental and Life Insurance
CC: Ellen Ritchie – Library
Doug Spears - Fire
Mark White – Public Works
Russell Ragsdale – Police
Keith Rinehart – Recreation
Janice England – City Hall

Our insurance brokers, Jack Reaves and Brad McEowen, met with the Employee Insurance Committee (copied above) on August 4th to review our insurance plan information. The following is a summary of that meeting and the committee's recommendations.

Our current health insurance provider is United Healthcare. We have used United for three of the last four years. The initial proposed renewal rate from United showed an increase of 9%. Based on the fact we had a good claims history for the current year staff decided to advertise for proposals in hopes of obtaining a better rate. We received a total of five quotes from providers including United Healthcare, Blue Cross/Blue Shield, Cigna, Aetna, and the Texas Municipal League. The Committee reviewed the proposed rates and benefit plans and determined the two most competitive plans were from United Healthcare and Blue Cross/Blue Shield. Although BCBS offered a lower rate, United Healthcare offered better benefits. The annual deductible per family was 2X the individual under United and 3X the individual for BCBS. The out of pocket max for United is \$7,000 per family versus \$10,500 for BCBS. The drug plan for United is the same for name brands or generics where the BCBS plan mandates generics or the user pays the difference for the name brand. The Committee also reviewed options such as Health Savings Accounts but determined they would not be beneficial to the majority of employees at this time. After review and discussion the Committee recommends staying with the current plan under United Healthcare with a 2% reduction in the rates. United will continue to offer zero copays for children's (under age 19) office visits with their primary care provider. United will also be implementing virtual office visits (doctors accessible by phone) at some point during the plan year.

The City would continue to provide full coverage for employees and an additional \$365 per month for dependent coverage. Employees would pay \$456.69 per month for spouse only coverage, \$253.79 per month for coverage of children only, and \$1,005.61 per month for full family coverage.

United Healthcare's optional vision plan will continue to be available to employees at the employee's sole cost with no change in the rates.

We also received proposals for our dental plan. Delta Dental, our provider for the last two years, originally offered a renewal rate with a 10% increase. Their final proposal was reduced to a 5% increase. Again, there were proposals from other providers with slightly lower rates but the benefits and service from Delta have been excellent and the Committee decided remaining with Delta would be the best option.

Standard will renew our life insurance policy with no change in the rates.

After reviewing all of the information, the Employee Insurance Committee recommends staying with United Healthcare's 2TX/2V plan, continuing our dental coverage with Delta Dental, continuing our life insurance policy with Standard, and continuing the Flexible Spending Account benefit through Alt-Bentley Yates Benefit Administrators.



Renewal Date: October 1, 2015

United Healthcare Current/Renewal Plans			BCBS	CIGNA	AETNA	TML	
Plan Name	2TX/2V		RM36	Q13 GC	100.70	P96-200-35-A	
Network Name	ChoicePlus		BlueChoice PPO	ChoiceCare	OAMC	UHC ChoicePlus	
Calendar Year Deductible							
Individual	\$2,000		\$2,000	\$2,000	\$2,000	\$2,000	
Family	\$4,000		\$6,000	\$4,000	\$4,000	\$4,000	
Out-of-Pocket Max (per calendar yr includes deductible)							
Individual	\$3,500		\$3,500	\$3,500	\$3,500	\$6,600	
Family	\$7,000		\$10,500	\$7,000	\$7,000	\$13,200	
Office Visits							
Preventive Care	No Charge		No Charge	No Charge	No Charge	No Charge	
Physician Visit	\$0 PCP if < age 19 \$30 Copay PCP \$30 or \$60 Copay Specialist		\$30 Copay per visit	\$30 Copay PCP \$60 Copay Specialist	\$30 Copay per visit	\$30 Copay per visit	
Other Services							
Inpatient Hospital Services	Plan pays 100% after you satisfy annual deductible		Plan pays 100% after deductible met	Plan pays 100% after you satisfy annual deductible	Plan pays 100% after you satisfy annual deductible	Plan pays 90% after you satisfy annual deductible	
Outpatient Hospital Facility Services	Plan pays 100% after you satisfy annual deductible		Plan pays 100% after deductible met	Plan pays 100% after you satisfy annual deductible	Plan pays 100% after you satisfy annual deductible	Plan pays 90% after you satisfy annual deductible	
Emergency Room	\$300 Copay per visit		ER Facility: Plan pays 100% after \$100 copay (waived if admitted). ER Dr. 100% after deductible	\$300 Copay per visit	\$300 Copay per visit	\$100 Access fee (waived if admitted) and then plan pays 90% after you satisfy deductible	
Urgent Care	\$75 Copay per visit		\$55 Copay per visit	\$75 Copay per visit	\$75 Copay per visit	Plan pays 90% after you satisfy annual deductible	
Prescription Drug Program							
Tier 1	\$10		\$20**	\$10	\$10	\$0-\$9	
Tier 2	\$35		\$35	\$35	\$30	\$38	
Tier 3	\$60		\$50	\$60	\$60	\$60	
Tier 2 Specialty	NA		NA	NA	NA	\$120	
Tier 3 Specialty	NA		NA	NA	NA	\$120	
	Current Rate	Renewal Rate *	Monthly Rates	Monthly Rates	Monthly Rates	Monthly Rates	
Employee	52	\$568.26	\$556.89	\$535.84	\$536.26	\$613.86	\$533.04
Employee + Spouse	12	\$1,356.85	\$1,329.70	\$1,279.43	\$1,280.59	\$1,467.13	\$1,431.78
Employee + Child(ren)	57	\$1,149.81	\$1,126.80	\$1,084.21	\$1,084.85	\$1,240.00	\$1,010.43
Employee + Family	1	\$1,916.98	\$1,878.62	\$1,807.61	\$1,808.80	\$2,068.71	\$1,879.96

* Renewal Rates will increase by 2% if dual option is selected.

** Mandatory generic



Renewal Date: October 1, 2015

Dental Plans	DELTA DENTAL		METLIFE	GUARDIAN	DENTAL SELECT	HUMANA	AMERITAS	UHC
Calendar Year Deductible- Only Applied to Basic and Major Services								
Individual	\$50		\$50	\$50	\$50	\$50	\$50	\$50
Family	\$150		\$150	\$150	\$150	\$150	\$150	\$150
Plan Pays and Services Covered								
Preventive Services	Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments		Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments	Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments	Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments	Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments	Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments	Plan pays 100% Preventive Services include: exams, cleanings, limited x-rays, fluoride treatments
Basic Services	Plan pays 80% after ded. Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery		Plan pays 80% Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery	Plan pays 80% Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery	Plan pays 80% Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery	Plan pays 80% Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery	Plan pays 80% Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery	Plan pays 80% Basic Services include: root canals, periodontics, fillings, space maintainers, oral surgery
Major Services	Plan pays 50% after ded. Major Services include: crowns, dentures, inlays, onlays, bridges		Plan pays 50% Major Services include: crowns, dentures, inlays, onlays, bridges	Plan pays 50% Major Services include: crowns, dentures, inlays, onlays, bridges	Plan pays 50% Major Services include: crowns, dentures, inlays, onlays, bridges	Plan pays 50% Major Services include: crowns, dentures, inlays, onlays, bridges	Plan pays 50% Major Services include: crowns, dentures, inlays, onlays, bridges	Plan pays 50% Major Services include: crowns, dentures, inlays, onlays, bridges
Orthodontia	Plan pays 50% of the allowable		Plan pays 50% of the allowable	Plan pays 50% of the allowable	Plan pays 50% of the allowable	Plan pays 50% of the allowable	Plan pays 50% of the allowable	Plan pays 50% of the allowable
Annual Maximum	\$1,000 per covered person		\$1,000 per covered person	\$1,000 per covered person	\$1,000 per covered person	\$1,000 per covered person	\$1,000 per covered person	\$1,000 per covered person
Rates	Current	Renewal						
Employee Only	\$26.70	\$28.04	\$26.56	\$24.08	\$26.62	\$26.68	\$26.70	\$28.37
Employee + Family	\$73.26	\$76.92	\$72.86	\$66.05	\$73.03	\$73.20	\$73.26	\$77.84

**CITY OF SAGINAW
EMPLOYEE HEALTH INSURANCE COSTS
OCTOBER 2015**

PROPOSED UNITED HEALTHCARE / DELTA DENTAL

# of Employees	51	11	59	1
<u>DESCRIPTION</u>	<u>Employee Only</u>	<u>Employee and Spouse</u>	<u>Employee and Child(ren)</u>	<u>Employee and Family</u>
MEDICAL	556.89	1,329.70	1,126.80	1,878.62
DENTAL	28.04	76.92	76.92	76.92
LIFE	<u>13.50</u>	<u>13.50</u>	<u>13.50</u>	<u>13.50</u>
	598.43	1,420.12	1,217.22	1,969.04
Less Emp. Amount		<u>598.43</u>	<u>598.43</u>	<u>598.43</u>
		821.69	618.79	1,370.61
Less City Cap		<u>365.00</u>	<u>365.00</u>	<u>365.00</u>
Amount Paid by Employee Per Check		456.69 210.78	253.79 117.13	1,005.61 464.13

CURRENT UNITED HEALTHCARE / DELTA DENTAL

<u># of Employees</u>	42	9	61	4
<u>DESCRIPTION</u>	<u>Employee Only</u>	<u>Employee and Spouse</u>	<u>Employee and Child(ren)</u>	<u>Employee and Family</u>
MEDICAL	568.26	1,356.85	1,149.81	1,916.98
DENTAL	26.70	73.26	73.26	73.26
LIFE	13.50	13.50	13.50	13.50
	608.46	1,443.61	1,236.57	2,003.74
Less Emp. Amount		608.46	608.46	608.46
		835.15	628.11	1,395.28
Less City Cap		365.00	365.00	365.00
Amount Paid by Employee Per Check		470.15 216.99	263.11 121.44	1,030.28 475.51