CITY OF Cooper City Someplace Special

CITY COMMISSION
STAFF REPORT

DEPARTMENT: Administration

DATE: August 25, 2026

SUBJECT: Motion to approve the City-wide Medical Insurance renewal for plan year 2026-2027 with Benecon.

SUBMITTED BY: Signed by: Isis Medina 64F1408FD06E4AC...

CITY MANAGER RECOMMENDATION:
Pursuant to City Commission policy 02-002 Access to Group Health Insurance, the City Manager is submitting the proposed group medical insurance for plan year commencing on October 1, 2026, through September 30, 2027, with Benecon (UnitedHealth Care) as the carrier of choice.

BACKGROUND OF ITEM:
The City's medical insurance is currently provided by Florida Blue, their proposed renewal rate had a 12.4% increase, which was lower than the Proposed Budget increase of 20%. Florida Blue did not issue a group loss experience report because the group has been with Florida Blue for less than one year. They did not issue a renewal proposal until August 10, 2026, due to our low enrollment numbers. Many employees have expressed dissatisfaction with the lack of available hospitals and reduced network of doctors that are part of the Florida Blue network.

The city, through its' consultant, has sought quotes from other carriers. Our brokers solicited quotes from 27 carriers for the 2026-2027 plan year; four (4) responded for the medical coverage only (Exhibit A page 2). All others declined to quote on medical coverage. Some responded only to HSA and COBRA administration services.

The brokers presented detailed information comparing the various plans quoted by the four carriers who responded (Exhibit A, pages 4 to 11). After careful consideration of the various proposed plans, the plan of choice is Benecon Choice Plus Plan 1 (UnitedHealth Care - PPO) and Benecon HSA Choice Plus Plan 5 (UnitedHealth Care – HSA).

Our brokers, Brown and Brown, formed a pool of small municipalities in Florida to make purchasing medical insurance more affordable. This pool is called Benecon, and its medical insurance carrier is UnitedHealth Care.

ANALYSIS:

Benecon is recommended for the following reasons:

1. UnitedHealth Care is the carrier for Benecon. They have all major local hospitals and pharmacies in-network that are currently out-of-network with Florida Blue, and their doctors' network is significantly more extensive than with Florida Blue.
2. Our employees were very satisfied with UnitedHealth Care and would love to go back to having them as the medical carrier for the city.
3. The rates quoted are very reasonable and are half the cost of the renewal rate quoted by our existing carrier, Florida Blue.
4. The plan offered is almost identical to the plan the city had before going with Florida Blue in 2025.
5. The plan has experienced an 8% rate increase in the past few years.

While there are many positive reasons why Benecon is the best choice, there are a few points the Commission should be aware of.

1. Benecon is a Level Funded Plan (Self-Funded hybrid)
2. Employees will use the plan as they would a fully insured plan
3. Share the True-up with the pool
4. Pharmacy rebates stay with the pool
5. Groups planning to leave the pool must give 12 months' notice

In addition, here are some provisions that describe how the level-funded arrangement operates and do not change the City's fixed monthly contribution amount shown in the proposal.

- **$60,000 Deductible** - The level at which stop-loss coverage begins for a large individual claim.
- **12/12 Contract Basis** - Covers claims incurred and paid during the 12-month contract period.
- **110% Aggregate Corridor** - Defines when aggregate stop-loss protection would apply if overall claims exceed expected levels.
- **$1,000,000 Aggregate Annual Maximum** - Maximum aggregate stop-loss coverage available under the arrangement.
- **Unlimited Specific Annual Maximum** - No annual cap on reimbursement for large individual claims once they exceed the specific deductible.
- **15% Cross-Share** - A risk-sharing feature that is part of the Benecon program structure.

These provisions are included for informational purposes regarding the funding arrangement and do not result in any additional required City contribution beyond the rates and funding amounts illustrated in the proposal.

FISCAL IMPACT:

The FY 2027 Proposed Budget includes a 20% rate increase; the Proposed Plan with Benecon represents a savings of $281,824 for the city, of which $146,000 will be in the general fund. If the city approves this agreement, the Proposed Budget will be modified accordingly.

The city reserved $250,000 during plan year FY 2026 to reimburse employees for qualifying out-of-network services with Florida Blue. To date, only $1,861.48 has been used. By signing up with Benecon, this fund will no longer be necessary, as all area hospitals and affiliated doctors are in-network with Benecon/UnitedHealth Care

ATTACHMENTS:

1. Brokers' Presentation of proposals (Exhibit A)
2. Premium Cost comparison chart (Exhibit B)
3. Employee Cost for suggested plan (Exhibit E)
4. Reduction in Health Insurance Budget FY 2027 (Exhibit C)
5. Budget Line Item for Out-of-Network Health Insurance (Exhibit D)

Workflow History

User	Task	Action	Date/Time
Allen, Tedra	NEW ITEM: Not Yet Routed	*COMPLETE: Forward to City Attorney	08/13/26 03:47 PM
Horowitz, Jacob	Assigned to Attorney	COMPLETE: Forward to City Manager	08/18/26 04:54 PM
Rey, Alex	Assigned to City Manager	COMPLETE: Forward to City Clerk	08/19/26 10:01 AM
Allen, Tedra	Assigned to City Clerk	APPROVE ITEM: End Workflow	08/19/26 10:34 AM
Allen, Tedra	END WORKFLOW - APPROVED		08/19/26 04:09 PM